



CANADA

Annual Report

CANADA DEPOSIT INSURANCE CORPORATION

Year ended December 31
1972



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CANADA DEPOSIT INSURANCE CORPORATION

Honourable JOHN N. TURNER, P.C., M.P.,
Minister of Finance,
House of Commons,
Ottawa, Ontario.

Dear Mr. Turner:

I have the honour to submit to you the Annual Report of the Canada Deposit Insurance Corporation for the fiscal year ended December 31, 1972.

Yours very truly,
GÉRARD GINGRAS,
Chairman.

March 16, 1973

ANNUAL REPORT

For the year ended December 31, 1972, total income of the Corporation was \$3,186,166 and the total operating expense was \$201,175 as shown in the financial statements. A net amount of \$2,984,991 was credited to the Accumulated Net Earnings for the year. The Accumulated Net Earnings were reduced by \$493,750 as a result of the payment of a dividend to the Government of Canada. (See Note #5). This dividend was declared in February 1972, in accordance with Section 36 of the Act. Subsequent to the year end a dividend of \$562,500 was similarly declared.

The Deposit Insurance Fund and Accumulated Net Earnings totalled \$54,480,840 representing an increase of \$12,490,090 over the previous year.

The deposits with member institutions insured by the Corporation totalled in excess of \$30.1 billion and this total was comprised of \$27.2 billion in federal institutions and \$2.9 billion in provincial institutions. Premiums payable by member institutions for the year totalled approximately \$10 million. Premiums received together with the initial capital of the Corporation in the amount of \$10 million and net income, have been invested in securities of the Government of Canada and in loans to member institutions or used to acquire assets from member institutions.

In February 1973, the Board of Directors again authorized a reduction, for the forthcoming premium year, in the premium payable by member institutions to the minimum provided for in Section 19 of the Act.

The Commonwealth Trust Company, a Company incorporated in the Province of British Columbia, was placed in Liquidation effective January 1, 1970 and the Corporation was called upon to make payment of the insured deposits under the terms of the Policy of Deposit Insurance with the Company. To fulfill its obligation, the Corporation arranged with the Yorkshire Trust Company to take over the administration of the insured deposits and, in accordance with paragraph 13(4)(a) of the Act made available to the insured depositors a deposit with the Yorkshire Trust Company. By such action the Corporation is subrogated to the rights and interests of the depositors as against the Commonwealth Trust Company with the result that the Corporation now has a claim against the Company of approximately \$5.4 million. A provision for loss on the claim in the amount of \$2.0 million has been made. (See Note #2).

Under the terms of the Act the Superintendent of Insurance examines, on behalf of the Corporation, the affairs of Federally incorporated Trust Companies and Loan Companies and the Inspector General of Banks examines, on behalf of the Corporation, the affairs of each Bank. Provincial institutions are examined, on behalf of the Corporation, by persons designated by the Corporation for that purpose.

Of the seventy-four (74) member institutions at December 31, 1972, thirty-three (33) are federally incorporated. All of these institutions were examined by the Inspector General of Banks or the Superintendent of Insurance during 1972.

CANADA DEPOSIT INSURANCE CORPORATION

(Established by the Canada Deposit Insurance Corporation Act)

Balance Sheet as at December 31, 1972

(with comparative figures as at December 31, 1971)

| ASSETS | 1972 | 1971 | LIABILITIES | 1972 | 1971 |
|--|---------------------|---------------------|--|---------------------|---------------------|
| Cash and Short Term deposits..... | \$ 1,435,352 | \$ 6,833,808 | Accounts payable..... | \$ 14,581 | \$ 40,217 |
| Premiums and other receivables..... | 5,048,387 | 1,944,734 | Capital Stock: | | |
| Payments to depositors guaranteed by Province (Note 1)..... | 8,913,514 | 4,047,978 | Authorized, issued and fully paid – Ten shares of \$1,000,000 each..... | 10,000,000 | 10,000,000 |
| Claims re insured deposit payments less provision for loss of \$2,000,000 (Note 2)..... | 3,432,971 | 3,432,971 | Deposit Insurance Fund: | | |
| Investments at amortized cost: | | | Balance as at January 1... \$37,017,723 | | 27,936,312 |
| Canada Bonds and Treasury Bills, (par value \$35,901,000 market value \$36,447,000)..... | 35,837,170 | 23,749,386 | Add: | | |
| Acquired from member institutions | | | Premiums assessed for 1972 including \$1,032 for adjustments for prior years | 9,998,849 | 9,081,411 |
| Canada Bonds..... | 1,843,092 | 1,842,694 | Balance as at December 31 | 47,016,572 | 37,017,723 |
| Bonds of or guaranteed by Province... | 1,334,443 | 1,332,807 | Accumulated Net Earnings: | | |
| Bonds of municipalities..... | 176,835 | 176,387 | Balance as at January 1... 6,973,027 | | 4,601,591 |
| Other bonds or debentures..... | 1,120,497 | 1,136,408 | Net income for the year per Statement of Income and Expense..... | 2,984,991 | 2,371,436 |
| (market value \$4,064,000)..... | 4,474,867 | 4,488,296 | | 9,958,018 | 6,973,027 |
| Mortgages..... | 5,353,160 | 7,533,794 | Dividend (Note 5)..... | 493,750 | – |
| | <u>45,665,197</u> | <u>35,771,476</u> | | <u>9,464,268</u> | <u>6,973,027</u> |
| | <u>\$64,495,421</u> | <u>\$52,030,967</u> | Less: | | |
| | | | Accumulated provision for loss (Note 2)..... | 2,000,000 | 2,000,000 |
| | | | Balance as at December 31 | 7,464,268 | 4,973,027 |
| | | | | <u>54,480,840</u> | <u>41,990,750</u> |
| | | | | <u>\$64,495,421</u> | <u>\$52,030,967</u> |

The accompanying notes are an integral part of the financial statements.

Certified correct: T. J. DAVIS, *Secretary Treasurer*

Approved on behalf of the Board of Directors:

GÉRARD GINGRAS, *Chairman*

R. HUMPHRYS, *Director*

I have examined the above Balance Sheet and the related Statement of Income and Expense and have reported thereon under the date of February 23, 1973 to the Minister of Finance.

A. M. HENDERSON
Auditor General of Canada

CANADA DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENT

1. Payments to depositors at December 31, 1972 guaranteed by a Province, \$8,913,514, includes accrued interest of \$424,174. During the year \$5,161,449 was paid to persons having deposits that were insured by the Corporation with a member institution. Principal and interest repayments in 1972 from the member institution totalled \$666,905. The amount outstanding constitutes a claim against the assets of the member institution and is covered by an indemnity agreement with the Province concerned whereby payments to depositors plus interest will be repaid by the Province on or before December 31, 1974 subject to any amounts recovered from the member institution. It is estimated that a further \$2.2 million will be payable by the Corporation in the next two years, of which \$1.9 million will be paid in 1973.
2. Under the provisions of section 13 of the Canada Deposit Insurance Corporation Act the Corporation, by paying \$5,432,971, acquired all the rights and interest of the depositors as against a member institution which is in receivership. A loss on the realization of this asset is anticipated against which a provision of \$2,000,000 has been made.
3. Deposits insured by the Corporation, based on returns made by member institutions during 1972, totalled \$30.1 billion, comprising deposits of \$27.2 billion in federal institutions and \$2.9 billion in provincial institutions. Of the deposits insured in provincial institutions \$168.1 million was covered by a temporary indemnity agreement with the Province concerned.
4. The Corporation is designated a proprietary corporation in the Financial Administration Act and accordingly is subject to income tax. However, no provision for income tax has been made in the accounts as at December 31, 1972 as the Governor in Council has granted remission under section 17 of the Financial Administration Act of any income tax payable by the Corporation.
5. During the year 1972 the Board, in accordance with section 36 of the Act, declared and paid a dividend on its share capital to the Government of Canada in the amount of \$493,750.

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Income and Expense for the year ended December 31, 1972
(with comparative figures for the year ended December 31, 1971)

| | 1972 | 1971 |
|---|--------------------|--------------------|
| INCOME | | |
| Return on investments..... | \$2,815,174 | \$1,822,786 |
| Interest on loans and advances..... | 370,992 | 812,433 |
| | <u>3,186,166</u> | <u>2,635,219</u> |
| EXPENSE | | |
| Interest on advances from Canada..... | — | 66,178 |
| Inspection fees and expenses | | |
| Department of Insurance..... | \$65,293 | 49,376 |
| Other..... | <u>10,500</u> | 9,400 |
| | 75,793 | |
| Salaries and employee benefits (including remuneration of the Chairman, \$17,500)..... | 74,935 | 68,465 |
| Legal Fees..... | — | 10,442 |
| Mortgage administration fees..... | 34,773 | 44,830 |
| Rent..... | 8,500 | 8,500 |
| All other expenses..... | <u>7,174</u> | 6,592 |
| | 201,175 | 263,783 |
| Net Income (Note 4)..... | <u>\$2,984,991</u> | <u>\$2,371,436</u> |

The accompanying notes are an integral part of the financial statements.

AUDITOR GENERAL OF CANADA

THE HONOURABLE JOHN N. TURNER,
Minister of Finance,
Ottawa.

Sir,

I have examined the accounts and financial statements of Canada Deposit Insurance Corporation for the year ended December 31, 1972. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In compliance with the requirements of section 77 of the Financial Administration Act, I report that in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Financial Administration Act and any other Act applicable to the Corporation.

Yours faithfully,

A. M. HENDERSON

Auditor General of Canada.

OTTAWA, FEBRUARY 23, 1973.

MEMBER INSTITUTIONS – FEDERAL

The deposits with federal institutions that were carrying on business at the time the Act came into force on April 17th, 1967 were insured from that date. Deposits with federal institutions that commence business after April 17th, 1967 are insured from the date the institution commences business.

As at December 31, 1971 thirty-two (32) federal institutions were members of the Corporation. During the year 1972 The Fidelity Trust Company made use of the provisions of section 6.1 of the Trust Companies Act and acquired federal status. Also during the year the name of the City Home Mortgage and Savings Corporation was changed to the Granville Savings and Mortgage Corporation.

The thirth-three (33) member institutions in this category at December 31, 1972, of which ten (10) are Banks and twenty-three (23) are federally incorporated Loan and Trust Companies are:

Banks

Bank of Montreal
The Bank of Nova Scotia
The Toronto-Dominion Bank
The Provincial Bank of Canada
Canadian Imperial Bank of Commerce

The Royal Bank of Canada
Bank Canadian National
The Mercantile Bank of Canada
Bank of British Columbia
The Montreal City and District Savings Bank

Loan and Trust Companies

Canada Permanent Mortgage Corporation
Canada Permanent Trust Company
The Canada Trust Company
Co-Operative Trust Company Limited
The Eastern Canada Savings and Loan Company
The Equitable Trust Company
Evangeline Savings and Mortgage Company
Fidelity Mortgage & Savings Corporation
The Fidelity Trust Company
General Mortgage Corporation of Canada
Granville Savings and Mortgage Corporation
Guaranty Trust Company of Canada

The Huron and Erie Mortgage Corporation
International Savings and Mortgage Corporation
Investors Trust Company
Kinross Mortgage Corporation
League Savings and Mortgage Company
Nelcon Trust Company
Nova Scotia Savings & Loan Company
The Premier Trust Company
Settlers Savings and Mortgage Corporation
Standard Trust Company
The Sterling Trusts Corporation

MEMBER INSTITUTIONS – PROVINCIAL

Prior to coming into force of the Canada Deposit Insurance Corporation Act, the Province of Ontario had instituted a deposit insurance plan of its own covering all the Loan Companies and Trust Companies in the Province. This plan, which came into effect on February 10, 1967, was similar to the plan instituted by the Canada Deposit Insurance Corporation Act. After the Canada Deposit Insurance Corporation Act came into effect, the Ontario plan was suspended and all the Ontario companies concerned were subsequently accepted as members of the Corporation effective April 29, 1967.

An Indemnity Agreement between the Corporation and the Province of Alberta applicable to five companies incorporated under the legislation of that Province is still in effect.

During 1967, the Province of Quebec adopted legislation to establish a plan of deposit insurance applicable to all institutions that accept deposits in that Province. The plan guarantees not only deposits within the Province but also provides for the guarantee of deposits accepted outside Quebec by institutions incorporated in Quebec. The possibility then existed that certain deposits in Quebec would be insured both by the Quebec Deposit Insurance Board and by the Canada Deposit Insurance Corporation. Deposits so affected would be deposits in Quebec accepted by federally incorporated institutions or by institutions incorporated in Provinces other than Quebec. There were also questions raised

concerning the insurance of deposits accepted outside Quebec by institutions incorporated in Quebec. Some Provinces, where such deposits are located, expressed the desire that these deposits be insured by the Canada Deposit Insurance Corporation.

In order to avoid duplication of insurance and to meet the desires of Provinces where such deposits are located, an agreement was reached between the Federal Government and the Government of Quebec providing as follows:

1. the Canada Deposit Insurance Corporation will insure deposits outside Quebec accepted by institutions incorporated in Quebec;
2. the Quebec Deposit Insurance Board will guarantee deposits in Quebec accepted by institutions incorporated in Quebec or in other Provinces. Where the Canada Deposit Insurance Corporation is insuring deposits accepted in Quebec by institutions in other Provinces, it will terminate its insurance of those deposits on application by the institution with the concurrence of the Province of incorporation;
3. the Canada Deposit Insurance Corporation will continue to insure deposits accepted by Federally incorporated institutions, whether accepted in Quebec or elsewhere in Canada, and Quebec will refrain from levying any charge for deposit insurance on such institutions.
4. the Canada Deposit Insurance Corporation is empowered to make short term secured loans to the Quebec Deposit Insurance Board to enable it to meet emergency liquidity needs in connection with its insurance operations.

In order to implement the above understanding the required amendments to the Canada Deposit Insurance Corporation Act came into effect on March 27, 1968, and on December 23, 1968 an Agreement between the Corporation and the Quebec Deposit Insurance Board was executed.

In the years prior to 1972 Policies of Deposit Insurance, whereby the Corporation insures deposits located outside the Province of Quebec and the Quebec Deposit Insurance Board guarantees deposits located within Quebec, were issued to the Credit Foncier Franco-Canadien, International Trust Company, Montreal Trust Company, Royal Trust Company and the Royal Trust Company Mortgage Corporation. These companies are all incorporated under Quebec Legislation. Also, prior to 1972, Policies of Deposit Insurance previously issued to the National Trust Company and the Crown Trust Company, both incorporated under Ontario Legislation, and the Policy issued to the Farmers and Merchants Trust Company, an Alberta incorporated company, were amended to exclude deposit insurance by the Corporation on deposits with these companies located within the Province of Quebec.

During the year 1972, a Policy of Deposit Insurance was issued to the General Trust of Canada, a company incorporated in Quebec. Also, effective January 1st the assets and liabilities of the Trans Canada Savings and Trust Company were acquired by the Farmers and Merchants Trust Company and, effective December 31st, the Federal Savings and Loan Company amalgamated with the County Savings and Loan Corporation.

At December 31, 1971, there were forty-three (43) provincially incorporated loan companies and trust companies that were members of the Corporation. Although another company became a member of the Corporation during the year 1972, the total number of member institutions in this category at December 31, 1972 was actually reduced to forty-one (41).

The Provincial member institutions at December 31, 1972 are:

Loan and Trust Companies

The Acadia Trust Company
Atlantic Trust Company
Canadian First Mortgage Corporation

The Canborough Corporation
The Central Trust Company of Canada
City Savings and Trust Company

Commonwealth Trust Company
 County Savings and Loan Corporation
 Credit Foncier Franco-Canadien
 Crown Trust Company
 District Trust Company
 The Dominion Trust Company
 Farmers and Merchants Trust Company
 Limited
 Fort Garry Trust Company
 General Trust of Canada
 Hamilton Trust and Savings Corporation
 Heritage Savings and Trust Company
 The Industrial Mortgage and Trust Company
 Inland Trust and Savings Corporation
 Limited
 International Trust Company
 The Lambton Loan and Investment Company
 Landmark Savings and Loan Association
 The Lincoln Trust and Savings Company

The Metropolitan Trust Company
 Montreal Trust Company
 Municipal Savings and Loan Corporation
 National Trust Company Limited
 Nipissing Mortgage Corporation
 Norfolk and Retailers Trust and Savings
 Company
 North West Trust Company
 The Nova Scotia Trust Company
 Ontario Trust Company
 Principal Savings and Trust Company
 Royal Trust Company
 Royal Trust Company Mortgage Corporation
 RoyMor Ltd.
 The Security Trust Company Limited
 Tordom Corporation
 United Trust Company
 Victoria and Grey Trust Company
 Yorkshire Trust Company

BOARD OF DIRECTORS

The terms of the Act provide that the Board shall consist of five (5) directors, one of whom is Chairman. The Chairman is appointed by Governor in Council and the other four members are to be the persons holding the respective offices of the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. Members of the Board as of December 31, 1972 are:

Messrs. Gérard Gingras, Chairman
 L. Rasminsky, Director
 S. S. Reisman, Director
 R. Humphrys, Director
 W. E. Scott, Director

The appointment of Mr. Antonio Rainville as Chairman of the Board of Directors expired on May 12th and Mr. Gérard Gingras was appointed to succeed him. The Corporation is indeed indebted to Mr. Rainville for his advice and guidance during the initial years of operations.

Mr. T. J. Davis is the Secretary-Treasurer of the Corporation.

LEGISLATION

The Canada Deposit Insurance Corporation Act received Royal Assent on February 17th, 1967 and came into force by proclamation on April 17th, 1967. An Act to amend the Canada Deposit Insurance Corporation Act received Royal Assent on March 27th, 1968.

The prime purpose of the Act is to provide, for the benefit of persons having deposits with member institutions, deposit insurance against the loss of part or all of such deposits.

The Act gives the Corporation power to adopt by-laws, subject to the approval of the Governor in Council, regulating the conduct and general affairs of the Corporation. By-Law No. 1 (General) was approved by the Governor in Council on March 30th, 1967 and published in Part II of the Canada Gazette on April 12th, 1967. An amendment to this By-Law was approved by Governor in Council on May 26th, 1967 and published in Part II of the Canada Gazette on June 14th, 1967. Two further amendments to the By-Law were approved by Governor in Council on February 1st and February 15th, 1968 and were published

in Part II of the Canada Gazette on February 14th and February 28th, 1968 respectively.

Under the provisions of the Investment Companies Act, the Corporation is empowered to make short term loans, as a lender of last resort, to Canadian controlled Sales Finance Companies. This function is entirely separated from those presently performed by the Corporation and the Corporation is not insuring the notes or debentures of these companies. The loans may be made only to enable companies to meet short term requirements for liquid funds. The source of funds for making such loans would be borrowings from the Consolidated Revenue Fund.

DEFINITION OF DEPOSIT

For the purpose of the Act and the By-Laws of the Corporation a deposit has been defined in Section 2(1) (a) of By-Law No. 1 (General) as undernoted:

“ ‘deposit’ means the unpaid balances of the aggregate of moneys received or held by a federal or provincial institution within the meaning of the Act, from or on behalf of a person in the usual course of business, and for which the institution

- (i) has given, or is obligated to give, credit to such person's account, or
- (ii) has issued, or is obligated to issue, a receipt, certificate, debenture other than a debenture issued by a chartered bank, transferable instrument, draft, certified draft or cheque, traveller's cheque, prepaid letter of credit, money order or other instrument in respect of which the institution is primarily liable,

if the institution is obligated to repay the moneys

- (iii) on a fixed date,
- (iv) on demand by the depositor, or
- (v) within a specified period of time following demand by the depositor, and includes any interest accrued or payable to the person, but does not include moneys received or held by the institution where the date of deposit is on or after April 17, 1967 unless the institution is obligated or may by demand of the depositor become obligated to repay the moneys within five years from such date of deposit or on a date five years after such date of deposit.”

The By-Law also provides that where a member institution is obligated to repay moneys to a depositor who acts as trustee for, or as joint owner with, another person and the trusteeship or joint ownership is disclosed on the records of the institution, the deposit of such trustee or joint owner shall, for purposes of deposit insurance, be deemed to be separate from any deposit of the trustee or joint owner acting in his own right or in another trust or joint capacity.

Similarly, under such circumstances, the interest of a beneficiary in a deposit of a depositor who is acting as trustee for that beneficiary shall be deemed to be a deposit separate from any deposit of such beneficiary in his own right or as a beneficiary in any other trust deposit.

When the Canada Deposit Insurance Corporation Act was amended on March 27, 1968, one of the provisions of the amending Act specified that the power of the Board of Directors' to define the expression 'deposit', as set out in Section 12 of the Act, would terminate one year from the date the amending Act came into force. Accordingly that power terminated on March 27, 1969 and any change in the definition of 'deposit' can now be made only by Legislation.

PRINCIPAL PROVISIONS OF THE ACT

The principal provisions of the Canada Deposit Insurance Corporation Act, and to which reference is made in this report, may be described as follows:

Relevant Section

9. For the purpose of this Act, the following are federal institutions:
 - (a) a bank
 - (b) a company incorporated by or pursuant to an Act of the Parliament of Canada that accepts deposits from the public and to which the Trust Companies Act or the Loan Companies Act applies.
10. For the purposes of this Act, a provincial institution is an incorporated company that carries on, under a provincial Act or a constating instrument under provincial jurisdiction, the business of a trust company within the meaning of the Trust Companies Act or the business of a loan company within the meaning of the Loan Companies Act, or both such businesses, and that accepts deposits from the public.
11. The Corporation may do all things necessary or incidental to the objects of the Corporation and in particular may acquire assets from a member institution, make loans or advances to a member institution and take security therefor and guarantee loans to or deposits with a member institution, for the purpose of reducing a risk to the Corporation or reducing or averting a threatened loss to the Corporation.
13. (1) The Corporation is required to insure each deposit with a member institution except
 - (a) a deposit that is not payable in Canada or in Canadian currency;
 - (b) a deposit in respect of which Her Majesty in right of Canada would be a preferred claimant; and
 - (c) so much of any one deposit as exceeds twenty thousand dollars.(2) Where a person has deposits with two or more member institutions that amalgamate and continue in operation as one member institution, a deposit of that person with an amalgamating institution on the day the amalgamated institution is formed, less any withdrawals from such deposit, shall, for the purpose of deposit insurance with the Corporation be deemed to be and continue to be separate from any deposit of such person on that day with the other amalgamating institution or institutions that become part of the amalgamated institution.
- (3) For the purpose of deposit insurance with the Corporation, where a member institution, pursuant to a plan or arrangement acquires the undertakings and assets of another member institution, those member institutions shall be deemed to be amalgamating institutions and subsection (2) shall apply where a person has deposits with both such institutions.
- (4) Where the Corporation is obliged to make payment in respect to any deposit insured by deposit insurance, the Corporation as soon as possible after the obligation arises shall, in respect of such deposit, make payment to such person as appears entitled thereto by the records of the member institution with which the deposit was made,
 - (a) by making available to such person a transferred deposit with another member institution for so much of his deposit as is insured by the Corporation; or
 - (b) by paying such person an amount in money equal to so much of his deposit as is insured by the Corporation.

- (6) Where the Corporation makes a payment under this Section in respect of any deposit with a member institution, the Corporation is subrogated, for so much of that deposit as is insured by the Corporation, to all rights and interest of the depositor as against that member institution.
14. (1) The deposits with a federal institution that was carrying on business on the day that the Act came into force were insured by the Corporation from and after that day.
- (2) The deposits with a federal institution that commences business after the Act came into force are insured the day the institution commences business.
16. On application, the Corporation insures the deposits of the provincial institution if;
- (a) the provincial institution is authorized by the province of its incorporation to apply for deposit insurance.
- (b) the provincial institution agrees, in carrying on its business, not to exercise powers substantially different from the powers exercised by a trust company under the Trust Companies Act and a loan company under the Loan Companies Act.
- (c) The Corporation approves the provincial institution for a policy of deposit insurance.
19. (1) "Premium year" means, in relation to the calculation and payment of premiums pursuant to the Act, the period beginning the first day of May in one year and ending on and including the 30th day of April in the next year.
- (2) The Corporation is required to assess and collect from each member institution an annual premium equal to the greater of
- (a) five hundred dollars, or
- (b) one thirtieth of one per cent of the total amount of such deposits as are deposited with the member institution as of the 30th day of April in that year and insured by the Corporation.
- (6) The premium payable by a member institution in respect of the premium year in which it becomes a member institution shall be the same proportion of the greater of
- (a) five hundred dollars, or
- (b) one thirtieth of one percent of the total amount of such deposits with that member institution and insured by the Corporation, as of the end of the month in which it becomes a member institution,
- as the number of days in which any of the deposits with that member institution are insured by the Corporation in that premium year is of 365.
- (8) Where, in the opinion of the Corporation, the Deposit Insurance Fund at the end of a financial year of the Corporation is adequate having regard to all the circumstances, the Corporation may reduce the premiums to be paid by member institutions in the next premium year but a reduced premium shall not be less than the greater of
- (a) five hundred dollars, or
- (b) an amount that together with the aggregate of the amounts previously paid by the member institutions by way of premiums, would equal one-sixth of one percent of such deposits as are deposited with the member institution as of the 30th day of April in that year and are insured by the Corporation.

31. (1) Where under the law of any province the government of that province or an agent of the government of that province guarantees or insures any of the deposits with a provincial institution operating within that province, the Corporation, subject to any agreement entered into under sub-section (2) may, in respect of that provincial institution,
- (a) insure some or all of the deposits with the provincial institution, or
 - (b) alter an existing policy of deposit insurance issued by the Corporation to the provincial institution, to exclude from the policy of deposit insurance any of the deposits with the provincial institution.
- (2) The Corporation may, with the approval of the Government in Council enter into an agreement with the government of a province or an agent of the government of a province referred to in subsection (1), to provide for reciprocal arrangements relating to the administration or operation of the law of that province and of this Act.
39. (1) The Corporation may employ such officers, agents and employees as are necessary for the purposes of the Corporation and is empowered, subject to the approval of the Minister of Finance, to make use of the personnel, facilities and services of the Department of Insurance and the Department of Finance.